

June 28, 2013

To: Executive Board

Subject: **2013 Legislative Summary**

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### **Recommendation**

Receive and file the June 2013 Legislative Summary. Adopt a support position on AB 1002.

### **Analysis**

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends a **support position on AB 1002 (Bloom)**.

### ***Recommendations on Bills:***

Existing law imposes a registration fee to be paid to the Department of Motor Vehicles (DMV) for the registration of every vehicle or trailer coach of a type subject to registration, except those vehicles that are expressly exempted from the payment of registration fees. Existing law, until January 1, 2016, imposes a \$3 increase on that fee, \$2 of which is to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount. AB 1002 would raise the existing vehicle surcharge from its current \$4 to \$10. The funds would be distributed as follows for cities to better achieve their SB 375 goals:

- 50 percent is proposed to be distributed to cities and counties on a per capita basis for planning and implementation of projects consistent with the purposes of SB 375 and an approved Sustainable Communities Plan;
- 40 percent is proposed to be distributed to transportation commissions and transit operators to support transit operations, and maintain and expand reduced fare programs, including transit passes for students, low income youth, seniors and persons with disabilities;
- 10 percent to MPOs and Regional Transportation Planning Associations for implementation of sustainable communities strategies.

This bill could provide Foothill Transit with additional operating funds, specifically for fare programs, including our college ridership pass program.

***State Legislative Issues:***

The Budget Conference Committee approved the \$500 million loan of Cap and Trade auction revenues to the General Fund for FY 2013-14 as proposed in the Governor's May Revision. While the Conference Committee members from both houses lamented not investing some of these revenues into greenhouse gas (GHG)-reducing projects and programs this year, the Conferees recognized the need to be in partnership with the Governor regarding these revenues, and voiced a strong expectation to invest the dollars next year in conjunction with a well-developed expenditure plan.

In regards to Cap and Trade, the outcome regarding the \$500 million loan to the General Fund is consistent with expectations of the California Transit Association (CTA) after close communications with Legislators and the Administration. This outcome reflects the Legislature's and Administration's need for more time to establish a long-term framework for investing the revenues. The Administration continually recognizes that the AB 32 Scoping Plan is scheduled to be updated at the end of this year, and this update will provide a more informed foundation for a Cap and Trade expenditure plan for next year.

The Cap and Trade coalition and the Transportation Coalition for Livable Communities, will continue its work with the California Air Resources Board (CARB), Legislature, and Administration to shape a more detailed expenditure plan for investment of Cap and Trade revenues for the 2014-15 fiscal year which reflects the CTA's proposed investment program structure providing funding to California's regions to reduce GHGs through integrated land use and transportation projects, including transit maintenance and operations.

***Federal Legislative Issues:***

On the federal front, as Congress prepares to authorize the next highway and transit bill there is extensive conversation about how to boost highway funding, especially against a backdrop of some major infrastructure failures, such as last month's collapse of a bridge in Washington State and the Metro-North rail crash in Connecticut. The Highway Trust Fund (HTF) will run dry by 2015, so a funding overhaul will be the key ingredient to the next bill.

There are pros and cons surrounding current funding ideas such as: (1) boosting the gas tax; (2) implementing a vehicle miles traveled (VMT) tax; (3) tapping oil and natural gas drilling royalties; and (4) relying on more transfers from the General Fund. At \$0.184 per gallon, the federal gas tax collected at the pump hasn't been increased for 20 years, and many believe that raising it in a tax-averse Congress is

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impossible. Others argue that even if the votes could be mustered for a gas tax increase, it would bring in less money in the out years with the advent of more fuel-efficient cars and an overall reduction in driving. Some believe that a better idea is to charge drivers based on how much they drive, or a VMT tax, but others see serious privacy issues in tracking nationwide the location of America's drivers. Expanding drilling offshore and in the Arctic National Wildlife Refuge (ANWR) likewise has its political supporters and opponents, but a major red flag was raised recently with this idea when the Congressional Budget Office (CBO) threw cold water on how much revenue could actually be generated on ANWR, offshore oil drilling and oil shale exploration, and the amount was far short of the billions of dollars needed. Finally, continuing reliance on the General Fund (which was tapped for SAFETEA-LU) is subject to "bailout fatigue" and also a concern that continued reliance on the General Fund could result in Transportation losing its Trust Fund status (guaranteed funding) and becoming part of the annual appropriations process which sees funding swings from year to year.

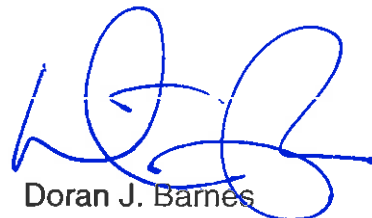
#### **Financial Impact**

AB 1002 could provide additional operating funds for Foothill Transit, specifically for fare programs.

Sincerely,



David Reyno  
Director of Government Relations



Doran J. Barnes  
Executive Director

# 2013 Legislation Summary

Current as of 6/13/2013

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 5	Ammiano	The bill would enact the Homeless Person's Bill of Rights and Fairness Act. The bill would establish a number of rights for every person in the state, including those who are considered homeless including the right to move freely in the same manner as any other person in public spaces, including, but not limited to, plazas, parking lots, public sidewalks, public parks, public transportation, public streets, and public buildings, in the same manner as any other person, and without discrimination by law enforcement, public or private security personnel and the right to rest and sleep in public spaces without being subject to criminal or civil sanctions, harassment, or arrest by law enforcement, public or private security personnel as long as such rest does not maliciously or substantially obstruct a passageway. The purpose of the bill is to protect people without homes from violations of their basic human rights and the people who serve them from penalties and includes public transportation in its definition of public space.	The bill would mean that the homeless could freely loiter or sleep in a Foothill Transit parking structure or sleep on a Foothill Transit bus stop bench without any legal remedy.	Assembly Committee on Appropriations	CTA - Oppose	<b>Oppose Position Adopted 5/24/2013</b>
AB 8	Perea/Skinner	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	<b>Assembly Committee on Appropriations</b>	CTA - Support	Support Position Adopted 2/22/2013
AB 574	Lowenthal	The bill establishes a program to fund sustainable communities strategies (developed pursuant to SB 375) as well as equivalent greenhouse gas (GHG) reducing strategies in rural areas, using cap and trade auction proceeds. The bill provides a statutory framework for implementing the sustainable communities allocations from cap and trade revenues, including key elements such as a per capita distribution of funds to California's regions, a competitive grant program guided by state policy objectives aligning with regional GHG reduction, and a performance-based approach to maximize investments. Additionally, the bill specifically includes funding for transit operations, maintenance, and infrastructure among the eligible investments for the funds.	This bill would provide a mechanism for which the transit industry and Foothill Transit would receive its fair share of the cap and trade auction proceeds.	Assembly Committee on Appropriations	CTA - Support	Support Position Adopted 4/26/2013
AB 1002	Bloom	Existing law imposes a registration fee to be paid to the Department of Motor Vehicles (DMV) for the registration of every vehicle or trailer coach of a type subject to registration, except those vehicles that are expressly exempted from the payment of registration fees. Existing	This bill could provide Foothill Transit with additional operating funds, specifically for fare programs, including our college ridership pass program.	<b>Assembly Local Government Committee</b>	CTA - Support	Support

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
		law, until January 1, 2016, imposes a \$3 increase on that fee, \$2 of which is to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount. AB 1002 would raise the existing vehicle surcharge from its current \$4 to \$10. The funds would be distributed by the following breakdowns for cities to better achieve their SB 375 goals: 50% is proposed to be distributed to cities and counties on a per capita basis for planning and implementation of projects consistent with the purposes of SB 375 and an approved Sustainable Communities Plan. 40% is proposed to be distributed to transportation commissions and transit operators to support transit operations, and maintain and expand reduced fare programs, including transit passes for students, low income youth, seniors and persons with disabilities. 10% to MPO's and Regional Transportation Planning Associations for implementation of sustainable communities strategies.				
AB 1257	Bocanegra	The bill will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. The Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints.	The bill's passage will create an Energy Commission that will increase government participation in the creation and maintenance of a natural gas policy for the state.	Senate Committee on Rules		Support Position Adopted 3/29/2013
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Rules	CTA - Support	Support Position Adopted 2/22/2013

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the Imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	<b>Senate Committee on Transportation &amp; Housing</b>	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or Increase of an existing tax. SCA 4 and SCA 8 would provide that the Imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	<b>Senate Committee on Transportation &amp; Housing</b>	CTA - Support	Support Position Adopted 2/22/2013